

HOUSE BILL 1161

C8, L4, Q2

0lr1389

By: **Delegates Jones, Burns, Busch, Hammen, and Nathan-Pulliam**

Introduced and read first time: February 17, 2010

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2010

CHAPTER _____

1 AN ACT concerning

2 **Tax Increment Financing and Special Taxing Districts – State Hospital**
3 **Redevelopment**

4 FOR the purpose of authorizing certain counties and municipal corporations to finance
5 the costs of certain public improvements located in or supporting a State
6 hospital redevelopment; authorizing certain counties and municipal
7 corporations to designate special taxing districts, create special funds, and
8 provide for the levy of certain taxes to pay certain costs of infrastructure
9 improvements located in or supporting a State hospital redevelopment;
10 authorizing certain counties and municipal corporations to pledge under an
11 agreement that amounts deposited to a certain special fund be paid over to
12 provide for the payment of certain infrastructure improvement costs;
13 authorizing certain counties and municipal corporations to pledge that certain
14 alternative local tax revenues attributable to a State hospital redevelopment be
15 paid into a certain special fund for certain purposes; altering a certain
16 definition; defining a certain term; and generally relating to certain
17 authorization for certain counties and municipal corporations to finance the
18 costs of certain public improvements located in or supporting State hospital
19 redevelopment.

20 BY renumbering

21 Article – Economic Development

22 Section 12–201(o), (p), and (q), respectively

23 to be Section 12–201(p), (q), and (r), respectively

24 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2008 Volume and 2009 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article 23A – Corporations – Municipal
4 Section 44A(a), (b), (e), and (f)
5 Annotated Code of Maryland
6 (2005 Replacement Volume and 2009 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article 24 – Political Subdivisions – Miscellaneous Provisions
9 Section 9–1301(a), (c)(2), (f)(1), and (g)
10 Annotated Code of Maryland
11 (2005 Replacement Volume and 2009 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article 24 – Political Subdivisions – Miscellaneous Provisions
14 Section 9–1301(b) and (c)(1)
15 Annotated Code of Maryland
16 (2005 Replacement Volume and 2009 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Economic Development
19 Section 12–201(a)
20 Annotated Code of Maryland
21 (2008 Volume and 2009 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Economic Development
24 Section 12–201(j) and 12–210
25 Annotated Code of Maryland
26 (2008 Volume and 2009 Supplement)

27 BY adding to
28 Article – Economic Development
29 Section 12–201(o)
30 Annotated Code of Maryland
31 (2008 Volume and 2009 Supplement)

32 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
33 MARYLAND, That Section(s) 12–201(o), (p), and (q), respectively, of
34 Article – Economic Development of the Annotated Code of Maryland be renumbered to
35 be Section(s) 12–201(p), (q), and (r), respectively.

36 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
37 read as follows:

38 **Article 23A – Corporations – Municipal**

1 44A.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) “Bond” means a revenue bond, note, or other similar instrument
4 issued by a municipal corporation in accordance with this section.

5 (3) “Cost” includes the cost of:

6 (i) Construction, reconstruction, and renovation, and
7 acquisition of all lands, structures, property, real or personal, rights, rights-of-way,
8 franchises, easements, and interests acquired or to be acquired by the Maryland
9 Economic Development Corporation, the State, any unit or department or political
10 subdivision of the State, or any other governmental unit having jurisdiction over the
11 infrastructure improvement;

12 (ii) All machinery and equipment including machinery and
13 equipment needed to expand or enhance municipal services to the special taxing
14 district;

15 (iii) Financing charges and interest prior to and during
16 construction, and, if deemed advisable by the municipal corporation, for a limited
17 period after completion of the construction, interest and reserves for principal and
18 interest, including costs of municipal bond insurance and any other type of financial
19 guaranty and costs of issuance;

20 (iv) Extensions, enlargements, additions, and improvements;

21 (v) Architectural, engineering, financial, and legal services;

22 (vi) Plans, specifications, studies, surveys, and estimates of cost
23 and of revenues;

24 (vii) Administrative expenses necessary or incident to
25 determining to proceed with the infrastructure improvements; and

26 (viii) Other expenses as may be necessary or incident to the
27 construction, acquisition, and financing of the infrastructure improvements.

28 (4) “MEDCO obligation” means any bond, note, or other similar
29 instrument that the Maryland Economic Development Corporation issues under
30 authority other than this section to finance the purposes specified in subsection (b)(2)
31 or (d)(3) of this section only with respect to infrastructure improvements located in or
32 supporting a transit-oriented development **OR A STATE HOSPITAL**
33 **REDEVELOPMENT.**

1 **(5) “STATE HOSPITAL REDEVELOPMENT” MEANS ANY**
 2 **COMBINATION OF PRIVATE OR PUBLIC COMMERCIAL, RESIDENTIAL, OR**
 3 **RECREATIONAL USES, IMPROVEMENTS, AND FACILITIES THAT:**

4 **(I) IS PART OF A COMPREHENSIVE COORDINATED**
 5 **DEVELOPMENT PLAN OR STRATEGY INVOLVING:**

6 **1. PROPERTY THAT WAS OCCUPIED FORMERLY BY A**
 7 **STATE FACILITY, AS DEFINED IN § 10–101 OF THE HEALTH – GENERAL**
 8 **ARTICLE, OR A STATE RESIDENTIAL CENTER, AS DEFINED IN § 7–101 OF THE**
 9 **HEALTH – GENERAL ARTICLE; OR**

10 **2. PROPERTY THAT IS ADJACENT OR REASONABLY**
 11 **PROXIMATE TO PROPERTY THAT WAS OCCUPIED FORMERLY BY A STATE**
 12 **FACILITY, AS DEFINED IN § 10–101 OF THE HEALTH – GENERAL ARTICLE, OR A**
 13 **STATE RESIDENTIAL CENTER, AS DEFINED IN § 7–101 OF THE**
 14 **HEALTH – GENERAL ARTICLE;**

15 **(II) IN ACCORDANCE WITH DESIGN DEVELOPMENT**
 16 **PRINCIPLES, MAXIMIZES USE OF THE PROPERTY BY THOSE CONSTITUENCIES IT**
 17 **IS INTENDED TO SERVE; AND**

18 **(III) IS DESIGNATED AS A STATE HOSPITAL**
 19 **REDEVELOPMENT BY:**

20 **1. ~~THE SECRETARY OF BUSINESS AND ECONOMIC~~**
 21 **~~DEVELOPMENT, IN CONSULTATION WITH THE SECRETARIES OF GENERAL~~**
 22 **~~SERVICES, HEALTH AND MENTAL HYGIENE, HOUSING AND COMMUNITY~~**
 23 **~~DEVELOPMENT, THE ENVIRONMENT, AND PLANNING SMART GROWTH~~**
 24 **SUBCABINET ESTABLISHED UNDER § 9–1406 OF THE STATE GOVERNMENT**
 25 **ARTICLE; AND**

26 **2. THE LOCAL GOVERNMENT OR MULTICOUNTY**
 27 **AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE RELEVANT**
 28 **AREA.**

29 **[(5)] (6) “Transit-oriented development” has the meaning stated in §**
 30 **7–101 of the Transportation Article.**

31 (b) (1) Subject to the provisions of this section, and for the purpose stated
 32 in paragraph (2) of this subsection, each municipal corporation in the State may:

33 (i) Create a special taxing district;

34 (ii) Levy ad valorem or special taxes; and

1 (iii) Issue bonds and other obligations.

2 (2) (i) The purpose of the authority granted under paragraph (1) of
3 this subsection is to provide financing, refinancing, or reimbursement for the cost of
4 the design, construction, establishment, extension, alteration, or acquisition of
5 adequate storm drainage systems, sewers, water systems, roads, bridges, culverts,
6 tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries,
7 schools, and other infrastructure improvements as necessary, whether situated within
8 the special taxing district or the municipal corporation or outside of the municipal
9 corporation if notification is given to the governmental unit having jurisdiction over
10 the infrastructure improvement and if the infrastructure improvement is reasonably
11 related to other infrastructure improvements within the special taxing district, for the
12 development and utilization of the land, each with respect to any defined geographic
13 region within the municipal corporation.

14 (ii) The authority granted under paragraph (1)(i) and (ii) of this
15 subsection also makes available a source of funding for payment of costs of:

16 1. Infrastructure improvements located in or supporting
17 a transit-oriented development **OR A STATE HOSPITAL REDEVELOPMENT**; and

18 2. Operation and maintenance of infrastructure
19 improvements located in or supporting a transit-oriented development **OR A STATE**
20 **HOSPITAL REDEVELOPMENT**.

21 (e) (1) (i) The governing body of the municipal corporation may:

22 1. Designate by resolution an area or areas as a special
23 taxing district;

24 2. Subject to paragraph (2) of this subsection, adopt a
25 resolution creating a special fund with respect to the special taxing district; and

26 3. Provide for the levy of an ad valorem or special tax on
27 all real and personal property within the special taxing district at a rate or amount
28 designed to provide adequate revenues to pay the principal of, interest on, and
29 redemption premium, if any, on the bonds, to replenish any debt service reserve fund,
30 and for any other purpose related to the ongoing expenses of or security for the bonds,
31 and, as the governing body of the municipal corporation determines, to:

32 A. Pay costs of infrastructure improvements located in or
33 supporting a transit-oriented development **OR A STATE HOSPITAL**
34 **REDEVELOPMENT**;

1 B. Pay costs of operation and maintenance of
2 infrastructure improvements located in or supporting a transit-oriented development
3 **OR A STATE HOSPITAL REDEVELOPMENT**; or

4 C. Secure payment by the municipal corporation of its
5 obligations under an agreement described in subsection (f)(3) of this section.

6 (ii) Ad valorem taxes shall be levied in the same manner, upon
7 the same assessments, for the same period or periods, and as of the same date or dates
8 of finality as are now or may hereafter be prescribed for general ad valorem tax
9 purposes within the district.

10 (iii) Special taxes shall be levied pursuant to subsection (n) of
11 this section.

12 (2) The resolution creating a special fund under paragraph (1)(i)2 of
13 this subsection shall:

14 (i) Pledge to the special fund the proceeds of the ad valorem or
15 special tax to be levied as provided under paragraph (1)(i)3 of this subsection; and

16 (ii) Require that the proceeds from the tax be paid into the
17 special fund.

18 (f) (1) Except as provided in paragraph (2) of this subsection, when no
19 bonds authorized by this section and no MEDCO obligations described in paragraph
20 (3) of this subsection are outstanding with respect to a special taxing district, and the
21 governing body of the municipal corporation determines not to use moneys in the
22 special fund for the payment of costs of infrastructure improvements located in or
23 supporting a transit-oriented development **OR A STATE HOSPITAL**
24 **REDEVELOPMENT**, or the payment of costs of operation and maintenance of
25 infrastructure improvements located in or supporting a transit-oriented development
26 **OR A STATE HOSPITAL REDEVELOPMENT**:

27 (i) The special taxing district shall be terminated; and

28 (ii) Any moneys remaining in the special fund on the date of
29 termination of the special taxing district may be paid to the general fund of the
30 municipal corporation.

31 (2) When no bonds authorized by this section are outstanding with
32 respect to a special taxing district, and the governing body of the municipal
33 corporation so determines, moneys in the special fund may be:

34 (i) Used for any purposes described in this section;

1 (ii) Accumulated for payment of debt service on bonds
2 subsequently issued under this section;

3 (iii) Used to pay or reimburse the municipal corporation for debt
4 service that the municipal corporation is obligated to pay or has paid, either as a
5 general or a limited obligation, on MEDCO obligations, or any bond, note, or other
6 similar instrument issued by the State, or any unit, department, or political
7 subdivision of the State, the proceeds of which have been used for any of the purposes
8 specified in this section; or

9 (iv) Paid to the municipal corporation to provide funds to be
10 used for any legal purposes as the governing body of the municipal corporation may
11 determine.

12 (3) (i) A municipal corporation that has created a special fund for a
13 special taxing district may pledge under an agreement that amounts deposited to the
14 special fund shall, as the governing body of the municipal corporation may determine,
15 be paid over to:

16 1. Secure payment on MEDCO obligations;

17 2. Provide for the payment of costs of infrastructure
18 improvements located in or supporting a transit-oriented development **OR A STATE**
19 **HOSPITAL REDEVELOPMENT**; and

20 3. Provide for the payment of costs of operation and
21 maintenance of infrastructure improvements located in or supporting a
22 transit-oriented development **OR A STATE HOSPITAL REDEVELOPMENT**.

23 (ii) The agreement shall:

24 1. Be authorized by ordinance or resolution of the
25 municipal corporation;

26 2. Be in writing;

27 3. Be executed on behalf of the municipal corporation
28 making the pledge, the Maryland Economic Development Corporation, and the other
29 persons or entities that the governing body of the municipal corporation determines;
30 and

31 4. Run to the benefit of and be enforceable on behalf of
32 the holders of any MEDCO obligations secured by the agreement.

33 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

34 9–1301.

1 (a) (1) In this section the following words have the meanings indicated.

2 (2) (i) “Bond” means a special obligation bond, revenue bond, note,
3 or other similar instrument issued by the county in accordance with this section.

4 (ii) “Bond” includes a special obligation bond, revenue bond,
5 note, or similar instrument issued by the revenue authority of Prince George’s County.

6 (3) “Cost” includes the cost of:

7 (i) Construction, reconstruction, and renovation, and
8 acquisition of all lands, structures, real or personal property, rights, rights-of-way,
9 franchises, easements, and interests acquired or to be acquired by the Maryland
10 Economic Development Corporation, or the State, any unit or department or political
11 subdivision of the State, or any other governmental unit having jurisdiction of the
12 infrastructure improvement;

13 (ii) All machinery and equipment including machinery and
14 equipment needed to expand or enhance county services to the special taxing district;

15 (iii) Financing charges and interest prior to and during
16 construction, and, if deemed advisable by the county, for a limited period after
17 completion of the construction, interest and reserves for principal and interest,
18 including costs of municipal bond insurance and any other type of financial guaranty
19 and costs of issuance;

20 (iv) Extensions, enlargements, additions, and improvements;

21 (v) Architectural, engineering, financial, and legal services;

22 (vi) Plans, specifications, studies, surveys, and estimates of cost
23 and of revenues;

24 (vii) Administrative expenses necessary or incident to
25 determining to proceed with the infrastructure improvements; and

26 (viii) Other expenses as may be necessary or incident to the
27 construction, acquisition, and financing of the infrastructure improvements.

28 (4) In Prince George’s County, “cost” includes the cost of renovation,
29 rehabilitation, and repair of existing buildings, internal and external structural
30 systems, elevators, facades, mechanical systems and components, and security
31 systems.

32 (5) “MEDCO obligation” means any bond, note, or other similar
33 instrument that the Maryland Economic Development Corporation issues under

1 authority other than this section to finance the purposes specified in subsection (c)(2)
 2 or (e)(3) of this section only with respect to infrastructure improvements located in or
 3 supporting a transit-oriented development **OR A STATE HOSPITAL**
 4 **REDEVELOPMENT.**

5 **(6) “STATE HOSPITAL REDEVELOPMENT” MEANS ANY**
 6 **COMBINATION OF PRIVATE OR PUBLIC COMMERCIAL, RESIDENTIAL, OR**
 7 **RECREATIONAL USES, IMPROVEMENTS, AND FACILITIES THAT:**

8 **(I) IS PART OF A COMPREHENSIVE COORDINATED**
 9 **DEVELOPMENT PLAN OR STRATEGY INVOLVING:**

10 **1. PROPERTY THAT WAS OCCUPIED FORMERLY BY A**
 11 **STATE FACILITY, AS DEFINED IN § 10-101 OF THE HEALTH – GENERAL**
 12 **ARTICLE, OR A STATE RESIDENTIAL CENTER, AS DEFINED IN § 7-101 OF THE**
 13 **HEALTH – GENERAL ARTICLE; OR**

14 **2. PROPERTY THAT IS ADJACENT OR REASONABLY**
 15 **PROXIMATE TO PROPERTY THAT WAS OCCUPIED FORMERLY BY A STATE**
 16 **FACILITY, AS DEFINED IN § 10-101 OF THE HEALTH – GENERAL ARTICLE, OR A**
 17 **STATE RESIDENTIAL CENTER, AS DEFINED IN § 7-101 OF THE**
 18 **HEALTH – GENERAL ARTICLE;**

19 **(II) IN ACCORDANCE WITH DESIGN DEVELOPMENT**
 20 **PRINCIPLES, MAXIMIZES USE OF THE PROPERTY BY THOSE CONSTITUENCIES IT**
 21 **IS INTENDED TO SERVE; AND**

22 **(III) IS DESIGNATED AS A STATE HOSPITAL**
 23 **REDEVELOPMENT BY:**

24 **1. ~~THE SECRETARY OF BUSINESS AND ECONOMIC~~**
 25 **~~DEVELOPMENT, IN CONSULTATION WITH THE SECRETARIES OF GENERAL~~**
 26 **~~SERVICES, HEALTH AND MENTAL HYGIENE, HOUSING AND COMMUNITY~~**
 27 **~~DEVELOPMENT, THE ENVIRONMENT, AND PLANNING~~ SMART GROWTH**
 28 **SUBCABINET ESTABLISHED UNDER § 9-1406 OF THE STATE GOVERNMENT**
 29 **ARTICLE; AND**

30 **2. THE LOCAL GOVERNMENT OR MULTICOUNTY**
 31 **AGENCY WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE RELEVANT**
 32 **AREA.**

33 **[(6)] (7) “Transit-oriented development” has the meaning stated in §**
 34 **7-101 of the Transportation Article.**

1 (b) This section applies only to Anne Arundel County, Baltimore County,
2 Calvert County, Cecil County, Charles County, Garrett County, Harford County,
3 Howard County, Prince George's County, St. Mary's County, Washington County, and
4 Wicomico County.

5 (c) (1) Subject to the provisions of this section, and for the purpose stated
6 in paragraph (2) of this subsection, the county may:

7 (i) Create a special taxing district;

8 (ii) Levy ad valorem or special taxes; and

9 (iii) Issue bonds and other obligations.

10 (2) (i) The purpose of the authority granted under paragraph (1) of
11 this subsection is to provide financing, refinancing, or reimbursement for the cost of
12 the design, construction, establishment, extension, alteration, or acquisition of
13 adequate storm drainage systems, sewers, water systems, roads, bridges, culverts,
14 tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries,
15 schools, transit facilities, solid waste facilities, and other infrastructure improvements
16 as necessary, whether situated within the special taxing district or outside the special
17 taxing district if the infrastructure improvement is reasonably related to other
18 infrastructure improvements within the special taxing district, for the development
19 and utilization of the land, each with respect to any defined geographic region within
20 the county.

21 (ii) The authority granted under paragraph (1)(i) and (ii) of this
22 subsection also makes available a source of funding for payment of costs of:

23 1. Infrastructure improvements located in or supporting
24 a transit-oriented development **OR A STATE HOSPITAL REDEVELOPMENT**; and

25 2. Operation and maintenance of infrastructure
26 improvements located in or supporting a transit-oriented development **OR A STATE**
27 **HOSPITAL REDEVELOPMENT**.

28 (f) (1) (i) The governing body of the county may:

29 1. Designate by resolution an area or areas as a special
30 taxing district;

31 2. Subject to paragraph (2) of this subsection, adopt a
32 resolution creating a special fund with respect to the special taxing district; and

33 3. Provide for the levy of an ad valorem or special tax on
34 all real and personal property within the special taxing district at a rate or amount
35 designed to provide adequate revenues to pay the principal of, interest on, and

1 redemption premium, if any, on the bonds, to replenish any debt service reserve fund,
2 and for any other purpose related to the ongoing expenses of or security for the bonds,
3 and, as the governing body of the county determines, to:

4 A. Pay costs of infrastructure improvements located in or
5 supporting a transit-oriented development **OR A STATE HOSPITAL**
6 **REDEVELOPMENT**;

7 B. Pay costs of operation and maintenance of
8 infrastructure improvements located in or supporting a transit-oriented development
9 **OR A STATE HOSPITAL REDEVELOPMENT**; or

10 C. Secure payment by the county of its obligations under
11 an agreement described in subsection (g)(3) of this section.

12 (ii) Ad valorem taxes shall be levied in the same manner, upon
13 the same assessments, for the same period or periods, and as of the same date or dates
14 of finality as are now or may hereafter be prescribed for general ad valorem tax
15 purposes within the district.

16 (iii) Special taxes shall be levied pursuant to subsection (o) of
17 this section.

18 (g) (1) Except as provided in paragraph (2) of this subsection, when no
19 bonds authorized by this section and no MEDCO obligations described in paragraph
20 (3) of this subsection are outstanding with respect to a special taxing district and the
21 governing body of the county determines not to use moneys in the special fund for
22 payment of costs of infrastructure improvements located in or supporting a
23 transit-oriented development **OR A STATE HOSPITAL REDEVELOPMENT**, or the
24 payment of costs of operation and maintenance of infrastructure improvements located
25 in or supporting a transit-oriented development **OR A STATE HOSPITAL**
26 **REDEVELOPMENT**:

27 (i) The special taxing district shall be terminated; and

28 (ii) Any moneys remaining in the special fund on the date of
29 termination of the special taxing district shall be paid to the general fund of the
30 county.

31 (2) When no bonds authorized by this section are outstanding with
32 respect to a special taxing district and the governing body of the county so determines,
33 moneys in the special fund may be:

34 (i) Used for any of the purposes described in this section;

35 (ii) Accumulated for payment of debt service on bonds
36 subsequently issued under this section;

1 (iii) Used to pay or reimburse the county for debt service that the
 2 county is obligated to pay or has paid, either as a general or limited obligation on
 3 MEDCO obligations or any bond, note, or other similar instrument issued by the
 4 State, by any unit, department, or political subdivision of the State, or by the Revenue
 5 Authority of Prince George's County, the proceeds of which have been used for any of
 6 the purposes specified in this section; or

7 (iv) Paid to the county to provide funds to be used for any legal
 8 purpose as the governing body of the county may determine.

9 (3) (i) A county that has created a special fund for a special taxing
 10 district may pledge, under an agreement, that amounts deposited to the special fund
 11 shall, as the governing body of the county may determine, be paid over to:

12 1. Secure payment on MEDCO obligations;

13 2. Provide for the payment of costs of infrastructure
 14 improvements located in or supporting a transit-oriented development **OR A STATE**
 15 **HOSPITAL REDEVELOPMENT**; and

16 3. Provide for the payment of costs of operation and
 17 maintenance of infrastructure improvements located in or supporting a
 18 transit-oriented development **OR A STATE HOSPITAL REDEVELOPMENT**.

19 (ii) The agreement shall:

20 1. Be authorized by ordinance or resolution of the
 21 county;

22 2. Be in writing;

23 3. Be executed on behalf of the county making the
 24 pledge, the Maryland Economic Development Corporation, and the other persons or
 25 entities that the governing body of the county determines; and

26 4. Run to the benefit of and be enforceable on behalf of
 27 the holders of any MEDCO obligations secured by the agreement.

28 **Article – Economic Development**

29 12–201.

30 (a) In this subtitle the following words have the meanings indicated.

31 (j) “MEDCO obligation” means a bond, note, or other similar instrument
 32 that the Maryland Economic Development Corporation issues under authority other

1 than this subtitle to finance the cost of infrastructure improvements located in or
2 supporting a transit-oriented development **OR A STATE HOSPITAL**
3 **REDEVELOPMENT.**

4 (O) “STATE HOSPITAL REDEVELOPMENT” MEANS ANY COMBINATION OF
5 PRIVATE OR PUBLIC COMMERCIAL, RESIDENTIAL, OR RECREATIONAL USES,
6 IMPROVEMENTS, AND FACILITIES THAT:

7 (1) IS PART OF A COMPREHENSIVE COORDINATED DEVELOPMENT
8 PLAN OR STRATEGY INVOLVING:

9 (I) PROPERTY THAT WAS OCCUPIED FORMERLY BY A STATE
10 FACILITY, AS DEFINED IN § 10-101 OF THE HEALTH – GENERAL ARTICLE, OR A
11 STATE RESIDENTIAL CENTER, AS DEFINED IN § 7-101 OF THE HEALTH
12 – GENERAL ARTICLE; OR

13 (II) PROPERTY THAT IS ADJACENT OR REASONABLY
14 PROXIMATE TO PROPERTY THAT WAS OCCUPIED FORMERLY BY A STATE
15 FACILITY, AS DEFINED IN § 10-101 OF THE HEALTH – GENERAL ARTICLE, OR A
16 STATE RESIDENTIAL CENTER, AS DEFINED IN § 7-101 OF THE
17 HEALTH – GENERAL ARTICLE;

18 (2) IN ACCORDANCE WITH DESIGN DEVELOPMENT PRINCIPLES,
19 MAXIMIZES USE OF THE PROPERTY BY THOSE CONSTITUENCIES IT IS INTENDED
20 TO SERVE; AND

21 (3) IS DESIGNATED AS A STATE HOSPITAL REDEVELOPMENT BY:

22 (I) ~~THE SECRETARY, IN CONSULTATION WITH THE~~
23 ~~SECRETARIES OF GENERAL SERVICES, HEALTH AND MENTAL HYGIENE,~~
24 ~~HOUSING AND COMMUNITY DEVELOPMENT, THE ENVIRONMENT, AND~~
25 ~~PLANNING SMART GROWTH SUBCABINET ESTABLISHED UNDER § 9-1406 OF~~
26 ~~THE STATE GOVERNMENT ARTICLE; AND~~

27 (II) THE LOCAL GOVERNMENT OR MULTICOUNTY AGENCY
28 WITH LAND USE AND PLANNING RESPONSIBILITY FOR THE RELEVANT AREA.

29 12-210.

30 (a) (1) Subject to paragraph (2) of this subsection, the governing body of a
31 political subdivision that is not the issuer may pledge under an agreement that its
32 property taxes levied on the tax increment shall be paid into the special fund for the
33 development district.

34 (2) The agreement shall:

- 1 (i) be in writing;
- 2 (ii) be executed by the governing bodies of the issuer and the
3 political subdivision making the pledge; and
- 4 (iii) run to the benefit of and be enforceable on behalf of any
5 bondholder.

6 (b) The governing body of Prince George's County may also pledge hotel
7 rental tax revenues to the special fund.

8 (c) The governing body of a political subdivision, including the issuer, may
9 pledge by or under a resolution, including by an agreement with the issuer, as
10 applicable, that alternative local tax revenues generated within, or that are otherwise
11 determined to be attributable to, a development district that is a transit-oriented
12 development **OR A STATE HOSPITAL REDEVELOPMENT** be paid, as provided in the
13 resolution, into the special fund to:

- 14 (1) secure the payment of debt service on bonds or MEDCO
15 obligations; or
- 16 (2) be applied to the other purposes stated in § 12-209 of this subtitle.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.